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Attorneys for Heber Avenue Partners, LLC

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:

EASY STREET HOLDING, LLC, et al.,

Debtors.

Tax ID Numbers:

35-2183713 (Easy Street Holding, LLC)
20-4502979 (Easy Street Partners, LLC)
84-1685764 (Easy Street Mezzanine, LLC)

Case No. 09-29905
(Jointly Administered with Cases 09-29907
and 09-29908)

Chapter 11

Honorable R. Kimball Mosier

**NOTICE OF STIPULATION AND WITHDRAWAL OF HEBER AVENUE
PARTNERS, LLC'S OBJECTION TO SCHEDULED AND FILED CLAIM OF
THE UTAH STATE TAX COMMISSION PURSUANT TO SECTION 502(B) OF
THE BANKRUPTCY CODE AND BANKRUPTCY RULES 3001, 3003 AND 3007**

Heber Avenue Partners, LLC ("Heber"), the reorganized debtor pursuant to the
confirmed Amended Plan of Reorganization of Easy Street Partners, LLC and WestLB, AG

dated June 16, 2010 [Docket No. 566] (the “Confirmed Plan”),¹ by and through its undersigned counsel, hereby gives notice of the Stipulation Fixing Claim of Utah State Tax Commission Against Easy Street Partners, LLC (the “Stipulation”), a copy of which is attached as Exhibit A hereto and incorporated herein by reference, and the consequent withdrawal of Heber’s Objection to Scheduled and Filed Claim of the Utah State Tax Commission Pursuant to Section 502(b) of the Bankruptcy Code and Bankruptcy Rules 3001, 3003 and 3007 [Docket No. 710] (the “Objection”).

On November 23, 2010, Heber filed its Objection to the scheduled and filed claim of the Utah State Tax Commission (the “Commission”) in the amended total amount of \$236,991.94, which named “CloudNine Resort Clubs – Sky Lodge LLC” as the debtor and contained: (i) a secured component of \$187,086.40; (ii) a priority component of \$49,905.54; (iii) no general unsecured component; and (iv) no administrative expense component (the “Tax Claim”). Heber’s Objection sought to disallow the Tax Claim in its entirety.

Pursuant to the Stipulation, Heber and the Commission have agreed that: (i) the Commission shall have an allowed unsecured priority tax claim against Easy Street Partners, LLC’s (“Partners”) estate in the principal amount of \$150,000 (the “Allowed Claim”), which amount shall accrue interest at an annual rate of 5% compounded quarterly, and shall be paid in accordance with the schedule attached to the Stipulation, provided however, that early repayment of the Allowed Claim may be made at Heber’s option without any prepayment penalty or acceleration of interest; and (ii) that the Commission shall have no further claim against any

¹ The Court entered its Order Confirming Amended Plan of Reorganization of Easy Street Partners, LLC and WestLB, AG Dated June 16, 2010 on July 2, 2010 [Docket No. 600].

assets acquired by Heber in connection with its acquisition of Partners' assets under the Confirmed Plan.

In accordance with the Confirmed Plan, Heber "may settle, compromise or otherwise resolve any Disputed Claim without further order of the Bankruptcy Court." Confirmed Plan, § 6.2. Accordingly, having reached a settlement in this matter, Heber hereby withdraws its Objection, and no further order of the Court is necessary to effectuate the settlement of this matter.

DATED this 7th day of January, 2011.

DORSEY & WHITNEY LLP

/s/ Benjamin J. Kotter

Annette W. Jarvis

Peggy Hunt

Benjamin J. Kotter

and

Richard W. Havel

SIDLEY AUSTIN LLP

Attorneys for Heber Avenue Partners, LLC

Exhibit A

**STIPULATION FIXING CLAIM OF UTAH STATE TAX COMMISSION AGAINST
EASY STREET PARTNERS, LLC**

Heber Avenue Partners, LLC (Heber), the Reorganized Debtor pursuant to the Amended Joint Plan of Easy Street Partners, LLC (Partners) and WestLB, AG Dated June 16, 2010 (the Plan) and the Utah State Tax Commission (the Commission) and, together with Heber, the Parties) hereby state as follows:

A. Partners commenced this case under Chapter 11 of the United States Bankruptcy Code by filing a voluntary petition on September 14, 2009.

B. The Commission did not file a proof of claim against Partners, but rather filed proof of claim number 5 in the bankruptcy case of Partners' debtor-affiliate, Easy Street Holding, LLC (Holding) (the Utah Tax Claim). The Commission subsequently amended the proof of claim twice. In its first and third versions of its proof of claim, the Commission identified the Debtor as "CLOUDNINE RESORT CLUBS - SKY LODGE LLC" and in its second version, it identified the Debtor as "EASY STREET HOLDING LLC." The uncontroverted, liquidated amount alleged in the Commission's final proof of claim on account of prepetition taxes is \$236,991.94.

C. Partners scheduled a priority claim in favor of the Commission in the amount of \$54,954.86. Partners subsequently made a court-approved payment, thereby reducing the Commission's net scheduled claim to \$31,729.82. Heber has also identified certain payments made by Partners to the Commission, which were not credited by the Commission in its proof of claim and which reduce the total amount owed on account of prepetition taxes.


D. Heber contends that Partners' estate is not liable for the Utah Tax Claim and has filed an objection to the Utah Tax Claim, in which it seeks to disallow the Utah Tax Claim in its entirety.

D. In light of the foregoing, the procedural and substantive objections Heber has raised to allowance of the Commission's claim against Partners' estate, and the expense of prosecuting and defending any such an objection, the Parties have determined to enter into a consensual resolution of the Commission's claim against Partners' bankruptcy estate.

WHEREFORE, the Parties stipulate and agree as follows:

1. The Commission shall have an allowed unsecured priority tax claim against Partners' estate in the principal amount of \$150,000 (the Allowed Claim), which amount shall accrue interest at an annual rate of 5%, compounded quarterly, and shall be paid in accordance with the schedule attached as Exhibit A hereto; provided, however, that early repayment of the Allowed Claim may be made at Heber's option without any prepayment penalty or acceleration of interest.
2. The Commission shall have no further claim against any assets acquired by Heber in connection with its acquisition of Partners' assets under the Plan.

DATED this 16 day of December, 2010


UTAH STATE TAX COMMISSION
BY: DEE H TALBOT
TITLE: DIRECTOR

HEBER AVENUE PARTNERS LLC,
a Delaware limited liability company

By: WestLB AG, a German banking corporation,
acting through its Cayman Islands branch, its Member

By:


Name: Martin Marty
Title: Associate Director

12/22/10

By: _____



Name: David Pascual

Title: Director

EXHIBIT A
Amortization Schedule for Allowed Claim

Payment Date	Principal Payment	Accrued Interest	Total Payment Amount	Remaining Claim on Payment Date
1/15/2011	\$18,750.00	\$0.00	\$18,750.00	\$131,250.00
4/15/2011	\$18,750.00	\$1,640.63	\$20,390.63	\$112,500.00
7/15/2011	\$18,750.00	\$1,406.25	\$20,156.25	\$93,750.00
10/15/2011	\$18,750.00	\$1,171.88	\$19,921.88	\$75,000.00
1/15/2012	\$18,750.00	\$937.50	\$19,687.50	\$56,250.00
4/15/2012	\$18,750.00	\$703.13	\$19,453.13	\$37,500.00
7/15/2012	\$18,750.00	\$468.75	\$19,218.75	\$18,750.00
10/15/2012	\$18,750.00	\$234.38	\$18,984.38	\$0.00